

Department of Social and Health Services

**DP Code/Title: PL-EH NFIS Repair and Upgrade**

**Program Level - 050 Long Term Care Services**

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Budget Period: 2003-05    Version: 11    2003-05 Agency Request Budget

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**Recommendation Summary Text:**

This decision package requests one-time funding to allow for a necessary rewrite and upgrade of the Nursing Facility Information System (NFIS). In its current state the system will no longer be operational within the next few years. Upgrading the system will allow for increased efficiencies in calculating rates and allow for more comprehensive auditing and other activities that will generate savings in expenditures.

**Fiscal Detail:**

**Operating Expenditures**

	<u><b>FY 1</b></u>	<u><b>FY 2</b></u>	<u><b>Total</b></u>
<b>Program 050</b>			
001-1 General Fund - Basic Account-State	80,000	70,000	150,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	80,000	70,000	150,000
<b>Total Cost</b>	<b>160,000</b>	<b>140,000</b>	<b>300,000</b>

**Staffing**

**Package Description:**

The NFIS, functioning at its current level, provides automation for approximately 40 percent of the rate setting process. It is an antiquated, isolated application due for replacement. Continued use while attempting to accommodate an increasingly complex rate setting methodology raises the likelihood of system failure, which would require time consuming manual calculations.

The repair and upgrade of the NFIS system will be accomplished by rewriting the programming code to allow for continued interface with the improved server configuration; this will accommodate continuing access to the data needed for the process. The rewrite will also result in increased automation of rate setting. In addition, it will allow for integration with other databases, an ability which will improve management information capabilities.

Implementation would be accomplished in stages and completed by the end of 2003-05 Biennium.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This decision package contributes to the balanced scorecard by:

- Improving service access to higher needs clients by more accurately reflecting the costs of care in the payment rate.
- Providing staff with additional time to devote to monitoring the residents' trust fund accounts, which provides increased assurances to residents that their personal resources are being properly administered.
- Enhancing department financial responsibility through improvements in standardization, thereby reducing the number of errors in the rate setting process.

***Performance Measure Detail***

**Program: 050**

**Goal: 03E    Budget Performance and Economic Value**

Incremental Changes

**FY 1**

**FY 2**

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**Efficiency Measures**

7ED	Monthly average cost per long-term care client.	.27	.23
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**Goal: 04E Improve Internal Management Processes**

**Incremental Changes**

No measures submitted for package

**FY 1**

**FY 2**

***Reason for change:***

The current automated rate setting programming is becoming obsolete and will soon no longer be viable. The rate setting methodology is becoming more complex and the limits of the current system are being exceeded. The proposal will allow for the programming to be rewritten in a more sophisticated language that will accommodate increased complexity in the methodology and be compatible with the server configuration.

***Impact on clients and services:***

This change helps ensure the continuation of current services for clients through accurate and equitable rate setting practices.

***Impact on other state programs:***

None

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

Attempt to complete the programming using current staff. While it may be possible to complete the project within the existing budget, it would most likely take additional time to complete, risking existing system failure prior to completion. It is questionable whether existing staff have the expertise and sufficient time to devote to the project.

Best practices or process improvement efforts short of a complete rewrite would allow for minimal, time limited enhancements at best. Efforts in this regard would not be cost effective.

***Budget impacts in future biennia:***

This project is time-limited. It would not carry forward into future biennia.

***Distinction between one-time and ongoing costs:***

All funding is one-time funding.

***Effects of non-funding:***

In its current state the system will probably fail within the next two years due to its inability to deal with the complexity of the methodology. It will also become incompatible with the server configuration.

Failure of the current system will result in increased staff time devoted to rate setting process, continued and increasing problems related to lack of standardization and calculation errors, and reduction in current and loss of future enhancements

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in management report capabilities.

***Expenditure Calculations and Assumptions:***

\$300,000 for one-time funding only, equipment \$20,000 and consulting fees \$280,000.

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 050 Objects</b>			
C    Personal Service Contracts	140,000	140,000	280,000
E    Goods And Services	20,000	0	20,000
<b>Total Objects</b>	<b>160,000</b>	<b>140,000</b>	<b>300,000</b>

**DSHS Source Code Detail**

<b>Program 050</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<u>Sources</u> <u>Title</u>				
0011    General Fund State	80,000	70,000	150,000	
<b>Total for Fund 001-1</b>	<b>80,000</b>	<b>70,000</b>	<b>150,000</b>	
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<u>Sources</u> <u>Title</u>				
19UL    Title XIX Admin (50%)	80,000	70,000	150,000	
<b>Total for Fund 001-C</b>	<b>80,000</b>	<b>70,000</b>	<b>150,000</b>	
<b>Total Program 050</b>	<b>160,000</b>	<b>140,000</b>	<b>300,000</b>	